Netwatch

BY JIM CARROLL

YOUR GUIDE TO BUSINESS & ACCOUNTING ON THE INTERNET

Act fast, or lose big

A couple of days after the Canadian dollar reached parity with the US dollar I went shopping for a new piece of computer gear. Specifically, I was looking for a D-Link DSM-520.

It's a nifty little wireless device that can send audio, video or pictures from your home network, or hard drive attached via USB, to your TV. It's a good solution to the fact that we continue to accumulate in my digital home a huge variety of digital life assets ranging from family movies to TV shows recorded directly into a computer to downloaded video clips and tunes.

Here's where it got interesting. I first found the product while doing my research at the US website for D-Link, a large global manufacturer of networking devices. It was offered for sale for US$229. Not bad — except the site wouldn't let me order from Canada. I had to use the Canadian D-Link site, where the same device was priced at $359. With dollar parity, that's a $130 difference.

Curious, I began poking around. I found it at Insight Canada, a popular wholesaler of computer equipment, where it was offered for $379. Its US site had the same piece of equipment for US$252. I shopped a bit further and found it on Fry's, a giant US retailer, for US$199 — and it was willing to ship it to Canada. I would save more than $160 simply by doing a little research.

Clearly, it's taking some time for the effects of dollar parity to play out, but this seems a little ridiculous. Obviously, many Canadian distributors and subsidiaries have comfortable price margins built into their prices. Dollar parity has made this cushion all too apparent — and like most consumers, I took my wallet and avoided a Canadian company, doing my shopping in the US instead.

Such decisions, being made by millions of Canadians as they discover the realities of our fiscal situation, will spell a significant challenge to many Canadian companies. All of which raises a question: can Canadian business organizations really act at the high velocity that a world of rapid change increasingly demands of them? Certainly the final rush to dollar parity occurred quickly, but are they truly ready to compete on price in a fast-paced economy, in which consumers can see through their price cushions?

The issue of acting fast goes far beyond reacting to quick changes in global currency markets: it has to do with responding to the rapid emergence of new public relations challenges, fast-changing technology, collapsing product lifecycles or sudden new consumer demand for a hot new product. The fact is business today operates at an extremely fast pace and every type of organization needs to be in a mindset that will enable it to operate at that pace.

Yet Canadian organizations often just seem to make excuses that try to justify being slow. Certainly spokespeople from such industries as the automotive sector had the attitude in the press that they know there are price differentials: it would just take time to sort everything out. And the reaction of the Canadian book publishing industry to the fact that the same book in the Canadian and US markets had a dramatic price difference? One of their spokespersons said, "This is all going to settle out. It just takes time."

That attitude can sink Canadian industry and business faster than you might think. In today's fast-paced economy, time is no longer a luxury. We can't let ourselves slide into a state of indecision and molasses-like reaction rates, whether it has to do with rapidly fluctuating currency markets or any other type of issue.

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